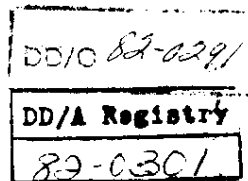


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22 January 1982

MEMORANDUM FOR: Deputy Director for Operations

VIA: Inspector General *CAB*FROM:
Chief, Audit Staff

SUBJECT: Administrative Plans

DD/A REGISTRY
FILE: *SS 1-1*

1. As a result of increasing activity in the field of Agency proprietaries and controlled subsidiaries, I am concerned that the Audit Staff fulfill its responsibility in this area in a timely and comprehensive way. Given the sensitivity and the level of resources involved in many of those activities, it is our policy to audit each of them on an annual basis.

2. It is crucial to our operation that we be made aware promptly of new entities being formed or contemplated, as well as being informed when existing entities are changed. Normally we note the inclusion of funding for new activities by monitoring the appropriate General Ledger Accounts: General Ledger

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ities within Subsidy Projects." This has not always proved to be sufficient. In the case of one sensitive proprietary and two controlled subsidy activities the responsible finance officer failed to make the appropriate accounting entries. While this does not happen very often, the fact that it could (and has) tends to reduce our confidence that we are aware of the full scope of our responsibilities.

3. This is by way of prelude to requesting, therefore, that the Chief, Audit Staff, be added as an addressee for all approved administrative plans prepared for proprietary and controlled subsidy activities. Where necessitated by the sensitivity of a given project, this distribution could be on an "eyes only" basis, with further knowledge of the projects within the Audit Staff being restricted to only those individuals required to be briefed for actual conduct of subsequent audits (as we have done in a number of sensitive projects in the past involving both proprietaries and other activities).

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4. If you agree with this proposal, I request that you issue instructions that Chief, Audit Staff be added as an addressee for all administrative plans.

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APPROVED:

John H. Stein

Deputy Director for Operations

01 FEB 1982

Date

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